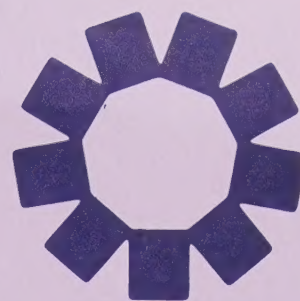


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**THE FUTURE:
IS IT WHAT IT
USED TO BE?**



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THE FUTURE: IS IT WHAT IT USED TO BE?

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I. THE 1970 REGIONAL PLAN

Fifteen years ago, ABAG developed a regional development plan for the San Francisco Bay Area. It was intended to guide overall regional development to 1990. Recognizing the complexity of any development strategy, the authors in 1970 looked at regional planning as:

"more than a simple matter of allocating land for development. It must concern itself with all the whats, wheres, hows, and whys of a complex problem: improving the quality of the living environment for a large and growing population."

Regional Plan 1970:1990
ABAG, July 1970

The plan, approved by the Association's General Assembly, was to "provide a broad regional framework for use by local cities and counties in evaluating and coordinating local plans, policies and goals." It was the outcome of several years of effort, beginning in the mid-1960s, to develop a single comprehensive guide to regional development.

The plan is nearing the end of its twenty-year horizon, and a look at what was envisioned, and what happened, since its adoption, is appropriate. Before beginning an evaluation, a few comments are necessary. The plan was only advisory. It was to guide growth, and not mandate where development would take place. And it was a political document, as well as a planning guide, because it represented the consensus of elected officials in the region.

There are three fundamental questions that should be answered. Did the plan guide regional development? Were planners correct in identifying areas that would experience growth problems? And finally, what has been learned about managing the development of the region?

The 1970 plan called for a "City-Centered Region." Its central concept (page 13) was "to accommodate future urban growth within the region in existing urban communities..... by infilling or as an orderly extension of ... development." New communities "along the fringes of the metropolitan core area" were expected to accommodate 100,000 or more people. Growth was to be "guided and controlled by open space, and permanent open space areas were to separate the individual communities." Communities in eastern Alameda and central Contra Costa, northern Marin, Solano and Sonoma counties were to develop intensively, surrounded by urban reserves or green belts. Southern Santa Clara County was to be maintained as an agricultural resource. Channeling of growth was to be accomplished by maintaining open space areas through public purchases, cooperation in zoning among communities on densities for residential and job growth, and development of a transportation network that would balance highways with mass transit.



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Many community plans followed the Regional Plan up until the late 1970s. Several counties adopted general plans that called for the funneling of urban growth within cities. As early as the mid-1970s, however, it became apparent that regional residential densities were not rising sufficiently to reduce land consumption. A recent unpublished ABAG study indicated that region-wide residential densities remained relatively constant, at about 6.7 dwelling units per acre, throughout the 1970s.

A basic objective of the plan was to reduce open space land consumption. However, residential densities in the 1970s were following the trends of the 1960s. ABAG pushed for higher residential densities to preserve open space and was successful in reducing land consumption in specific cases. But without the adoption of the implementation measures identified in the 1970 plan by local governments to preserve open space and reduce land consumption, ABAG simply did not have the institutional support to carry out this part of the plan.

The passage of Proposition 13 and other revenue-limiting measures further weakened the 1970 Plan as a guide to regional development. Policies that marginally supported the guidelines of the Regional Plan began to erode more rapidly, given the financial constraints placed on local governments to raise revenues. Planning for growth shifted from balancing housing and job production to far greater emphasis on the latter. Jobs brought revenues. Housing generated costs. Communities still issued permits for housing. But overall production of housing fell off considerably after 1977. For example, between 1970 and 1977, the Bay Area added more than 290,000 dwelling units. The production level, in the 1978-1985 period, fell to 202,000 units. Did employment growth follow the decline in housing production? Employment statistics suggest that job growth was greater in the 1978-1985 period than in the previous period. Between 1978 and 1985, the Bay Area added about 346,000 jobs. The 1970-1977 period shows an increase of 327,000 jobs. Was population growth less in the 1978-1985 period than in 1970-1977? Population growth was substantially higher in the former period than in the latter. Between 1978 and 1985, the Bay Area's population increased by almost 525,000 people. In the 1970-1977 period, growth was nearly 300,000 people or 43% less than the most recent period.

In a period of greater population growth and more job growth, the Bay Area produced 30% fewer dwelling units between 1978 and 1985 than in the 1970-1977 period. Interest rates probably affected the production level, but local government development policies played their part. Changes in economic incentives, brought on by citizen initiatives, affected local planning and development policies both in the production and density of new housing. The Regional Plan guidelines suggesting higher density housing became less relevant to the short-term objectives of each community. In retrospect, two lessons can be learned: ignoring economic incentives that affect local government behavior can doom development policies, and citizen initiatives can have a dramatic long-term affect on the growth policies.

The result of changes in economic incentives affected the production and density of housing, the distribution of employment and our ability to conserve open space. The 1970 Regional Plan called for open space buffers between cities to guide development. Practical planning mechanisms didn't develop to meet this goal.

Today, what remains of open space is increasingly under development pressures. Annually, regional growth is consuming close to 7,000 acres of undeveloped land. It is only a matter of time before the remaining buffers will disappear.

II. PROJECTIONS AND FORECASTS: WHAT DO THEY MEAN?

Were planners in 1970 correct in identifying the areas that would experience the most change in the future? How far off were the population and employment growth estimates of the plan? Why were there differences between the plan's projections, and what is occurring today?

A. Population Projections in the 1970 Plan

Table 1 compares the 1980 Census of Population by county with the 1970 estimates of population for 1980.

Table 1
1980 Population By County in the San Francisco Bay Region

	1980 Census	1970 Regional Plan Estimate for 1980	Percent Difference
Alameda	1,105,379	1,420,300	28.5 %
Contra Costa	656,380	821,700	25.2 %
Marin	222,568	307,600	38.2 %
Napa	99,199	103,700	4.5 %
San Francisco	678,974	806,700	19.9 %
San Mateo	587,329	737,600	25.6 %
Santa Clara	1,295,071	1,435,500	10.8 %
Solano	235,203	236,700	0.6 %
Sonoma	299,681	281,000	-6.2 %
Region	5,179,784	6,150,800	18.8 %

Source: 1980 Census and Regional Plan 1970:1990, Association of Bay Area Governments July, 1970.

Some may dismiss the differences between the actual Census data and the projected population as just another indication that "projections are always wrong." But projections are an art as well as a science. The planners who developed the projections of population assumed "...no major changes..in population growth rates and individual attitudes." (p.8.) To estimate the future exactly would require not only a good forecaster, but also one who controlled that which was being forecast. Planners merely respond to economic and population growth; they do not initiate them.

It is worth spending some time trying to understand why these projections were so poor. First, we have to deal with the era in which population projections were being done. The 1950s and 1960s saw rapid population growth in the United States. Birth rates were high by historical standards, and migration into California was at an all-time high.

Therefore, trends of the 1950s and 1960s affected the perception of what could be expected in the 1970s. ABAG used the California Department of Finance estimate of the region's population in the 1970 Regional Plan, and that estimate was 200,000 greater than the actual 1970 Census of Population.

What changed the historical growth trend? The primary factors were demographics and economics. The rapid movement of the "baby boom" generation from the home into the labor force was underestimated. The number of children born declined rapidly in the early 1970s and has only increased slightly in the 1980s. A rapid increase in the cost of living in the 1970s forced major changes in the labor force, affecting the natural population increase, and migration to California fell dramatically. In the 1960s, net migration averaged 53,000 annually in the region. In the 1970s, it declined to about 20,000 annually. These changes could have been anticipated by planners, but it would have been very difficult to estimate the exact impact.

One lesson to be learned from this rapid shift in trends is: never assume the future will (always) be like the past.

B. Employment Projections in the 1970 Plan

A different picture appears when we look at the employment projections in the 1970 Regional Plan. Table 2 shows the differences between the estimated and actual 1980 employment.

Table 2
Employment By Place of Work in the San Francisco Bay Region

	1980 Employment Level	1970 Regional Plan Estimate of 1980 Employment	Percentage Difference
Alameda	510,800	594,300	16.4%
Contra Costa	204,200	212,500	4.1%
Marin	77,600	76,700	-1.2%
Napa	35,900	43,100	20.0%
San Francisco	552,200	592,900	7.4%
San Mateo	259,800	303,900	17.0%
Santa Clara	698,800	549,600	-21.4%
Solono	90,700	80,700	-11.0%
Sonoma	103,300	91,900	-11.0%
Region	2,533,300	2,545,600	.5%

Source: 1980 Data are from PROJECTIONS 85, (July 1985); 1980 estimates are from the REGIONAL PLAN 1970:1990 (July 1970)

At the regional level, total employment, estimated in 1970 for 1980, came remarkably close to actual 1980 regional employment. Variations do exist among counties. The rapid rise in employment in Santa Clara County in the 1970s was not expected from historical trends. High tech employment grew at a far faster rate than anyone projected.

The higher growth predicted in Alameda, San Francisco and San Mateo Counties reflects assumptions that the region's economy would not disperse geographically as rapidly as it did. In 1970, San Francisco was viewed as the center of the region. Today, we know that several centers are developing. San Francisco in the year 2000 will be one of several major employment centers.

What did planners and politicians fail to recognize? First, the economics of land costs reduced demand for central city locations. Second, the change in financial incentives affected local government decision-making. Local governments saw commercial and industrial development as a means to finance services, and their policies stimulated the natural dispersion of jobs throughout the region. And third, technology increasingly permitted the dispersion of economic activity. The central office no longer needed the support facilities next door.

C. Where Did the Growth Occur?

Even with the above deficiencies, the plan came remarkably close to pointing out where the region would have substantial growth pressures in the future.

"In terms of specifics, present high growth centers in the northern counties are San Rafael-Novato, Santa Rosa-Petaluma, Napa, Vallejo and Fairfield. In the East Bay, they are in the areas of Concord Walnut Creek, Pittsburg-Antioch, Livermore-Pleasanton, and Hayward-Fremont. The San Mateo-Menlo Park environs could easily absorb over half of the growth of San Mateo County and the San Jose-Sunnyvale area in Santa Clara County is expected to continue its rapid growth. By 1990 it could contain over one million people." (page 8)

Planners argued that "if present county growth trends continue and the population of the region is not managed, about 50% of the population increase (by 1990) can be expected to occur in and around these existing high growth centers" (page 8). ABAG now estimates that by 1990 about 58% of the region's population growth will occur in these high-growth corridors. In the San Jose-Sunnyvale Corridor, PROJECTIONS'85 estimates a population level of more than one million people by 1990, very similar to that visualized by the planners in the late 1960s. In other words, the growth we are experiencing today in these corridors should not be a surprise to anyone, since these trends were well identified as early as the late 1960s.

The early 1970s brought the oil crisis and the environmental management process. Less growth was expected and this was reflected in the projections of employment and population for the region. In the document "Population, Employment and Land Use Projections San Francisco Bay Region 1970-2000" prepared by the Joint Land/Transportation Planning Program of ABAG and MTC in August 1973, the authors reflected upon what they perceived as a change in the direction of the region, since the adoption of the Regional Plan in 1970:

"The(se) projections reflect the broad framework provided by the REGIONAL PLAN: 1970-1990, as approved in 1970. Since that time, the Region has been confronted with an almost unparalleled set of circumstances that promise to substantially affect its future. Concerns for environmental quality, limited growth and innovative options to conventional planning solutions will undoubtedly result in new and different policies at the regional and local level." (page 2)

Regional population and growth estimates for 1980 declined substantially from the 1970 plan estimates. Under the highest growth scenario of the Series 2 "Projections of the Region's Future," (September 1974), the region's population was projected to be 5,482,000. This estimate, although substantially less than that in the 1970 Region Plan, was still about 300,000 higher than the actual 1980 Census.

Employment estimates for 1980 took a nose-dive in the 1974 projections series. Planners expected almost 230,000 fewer jobs in the region by 1980 than originally expected. A key reason for the decline in employment appears to be incorrect assumptions about the impact of environmental and oil supply constraints on the national and regional economy, and lack of foresight in projecting the rise in labor force participation. The years 1973-1975 saw a slowdown in the national and regional growth rates due primarily to the adjustments to higher fuel costs. Further, the environmental movement emphasized that we were entering a period of constrained resources that would slow overall economic growth. By 1976, the national economy had "worked through" the economic costs of the the 1973 oil price hikes, moving onto a higher growth curve.

Why didn't fewer jobs materialize as expected in the 1974 projections? The economy of the 1970s was far more dynamic than many thought, and adjusted to the new constraints. Higher costs of energy were offset by a rapid rise in consumer demand due to the large number of baby-boomers forming households. This combination of factors permitted the growth visualized by planners in the 1970 plan.

III. THE PLAN: HOW SUCCESSFUL?

Did the plan guide regional development? Probably not, as envisioned by those who developed it. The key elements, such as urban preserves and public open space to reduce land consumption and guide development, were not implemented. And urban sprawl continued throughout the 1970s, as shown by the lack of change in residential densities. On the other hand, several counties still have plans today to encourage and channel growth within cities. Overall, however, most will agree that jobs are farther away from housing today than was envisioned in the plan. The balanced transportation network concept has evolved into crowded freeways, and to many people affordable housing is an unreachable goal.

That doesn't mean that the plan didn't influence local policies to encourage more development within cities. ABAG has held this policy for more than fifteen years to encourage infill and development within existing spheres of influence. And it has been successful in many cases. But its capacity to influence is limited. One can go only so far in "jawboning." The economics of local government finance played its part in eroding the Regional Plan. Local policies followed what was perceived to be in the best interest of each community. Combine this with the dream of a single family home on a large lot, as well as our love affair with the automobile, and we have formidable obstacles to changing public policy on densities and growth.

It is difficult to predict human behavior. Planning is based largely on the willingness of individuals to think in terms of what is in the best interest of the group. Philosophers have argued for centuries and wars have been fought over what is and who determines "the best interest of the group." For example, the redevelopment activity in downtown Walnut Creek was undertaken to improve job opportunities for its residents, to bring new character to the central business district, and to raise the standing of the community among its sister communities in the area. These are progressive goals. But sometimes, citizens in a community see such goals as a threat to what they perceive as good for their self-interest. Conflict will always ensue unless we can find a bridge between the public good and the personal good.

Could we have reduced the transportation problems of today by following the 1970 Regional Plan? There is no clear-cut answer. The land-use decisions to concentrate jobs close to housing weren't made. And yet, the number of competing interests in any planning decision are quite large. Who gets a freeway expansion? Who will get the BART extension first? How do we minimize the environmental impacts of our investment? And who pays for it? The economic and political players in the decision process of public investments all want to assure that their costs are minimized, while maximizing benefits. One thing is clear. The "arterial sclerosis" of a regional transportation network occurs over a long period. By the time we recognize the problem, it has reached a critical stage. We are seeing the results of postponed investment decisions, and of ineffective cooperation among local jurisdictions and regional agencies in subregional planning.

Who is to blame? It is not easy or useful to assign responsibility. Many of the decisions not made were the result of legitimate environmental concerns, citizen disbelief or opposition, and lack of resources. We've seen the impact of Proposition 13 and other initiatives on the economic behavior of local government. Was it in their economic best interest to produce housing and ignore job production? Local governments are, rightly, concerned with finding resources and managing current services demands. The Federal or State governments may decide to finance growth or not finance it, but it is local communities who will ultimately be the first to feel the effects of lack of managed growth. Finally, we have no tradition of long-term planning. We tend to look at problems in the context of our political life. There is a need for continuity in planning which only organizations such as ABAG can provide. Overcoming inertia to cooperation among communities on sub-regional issues, and agreeing on long-term solutions are the primary goals to managing growth.

IV. THE NEXT TWENTY YEARS

Over the twenty-year period of the 1970 plan, the Bay Area will have added almost 1.2 million residents, 1.1 million jobs, and over 700,000 dwelling units. ABAG's latest long-term regional growth estimates for the next twenty years (1985-2005) indicate that the region will add about 1 million residents and more than 1 million new jobs, and require about 580,000 new dwelling units to accommodate this growth.

What does this mean in day-to-day terms? It means doubling most of the transportation, sewerage and solid waste problems in the region. It means consuming undeveloped land area equal to four San Franciscos in the next twenty years.

How do we manage this expected future? There isn't an easy one-two answer. In broad terms, we are talking about greater multi-jurisdictional cooperation. The days of thinking only about growth in ones own community are ending. More efficient management of growth requires, in particular, greater cooperation among jurisdictions on land use and transportation issues. Inevitably, this requires a recognition that growth management is a regional problem. And regional means more than cooperation between communities in each county. It means cooperation among counties. Policies to stimulate job growth in one county may affect road congestion and housing demand in another. And the demand may go far beyond a neighboring county. For example, we know that the job growth in Santa Clara County places considerable pressure on the housing supply in southern Alameda County. Increasingly, workers who live in Solano County commute to work in Contra Costa. In Marin, ABAG projects that almost twice as many jobs will be generated than the increase in the local labor force. Decisions on job growth and housing production in San Francisco affect all the counties that surround it. Although these conditions are the results of local development policies, they affect communities throughout the region. Managing regional growth must be done not only by coordinating planning among communities in counties but also at the Bay Area level.

Even with more efficient regional management, the problems of infrastructure needs will not get better. We are dealing with a double problem. First, the problem of expansion. Second, the problem of maintenance. They present major obstacles to the economic health of this region. Mass transit extensions, highway improvements and maintenance, sewer expansion and maintenance, all need work. And we need to make investments at a time when the Federal government is fast withdrawing from financing local growth. The state has not fully appreciated its responsibility yet, and local governments are just beginning to wake up to this nightmare of service demand without revenues. A long list of suggestions could be presented, but they boil down to only three factors: political will, cooperation and revenues.

There are no easy answers to growth management. The 1970 Regional Plan called for a "City-Centered" type of regional development. A primary objective was to reduce land consumption and maintain the environmental quality of the Bay Region. Encouraging development within cities still remains ABAG's goal, and infill is an effective redevelopment mechanism. However, political and economic realities constrain what planners can do. Cities and counties are fundamentally economic units.

Planning decisions that take money from an already strained treasury, no matter how noble, are "dead-on-arrival." We are dealing with compromise; with catch-up and neglect, and with strained budgets. But we must stop complaining and start cooperating.

V. CONCLUSION: WHAT HAVE WE LEARNED TO HELP MANAGE OUR FUTURE?

Balancing economic growth and opportunities with environmental quality is ABAG's long-term agenda. We have learned that guiding growth requires consensus, and a sense of what can be accomplished. ABAG's responsibility has been and remains that of an advance planning agency concerned with identifying regional development problems and providing information and services to increase the efficiency of local decision-making. We've learned that planners of the 1960s did rather well in identifying where the problems of growth would provide the most stress in the region. We also learned that forecasts and projections are subject to many assumptions, and errors will occur. Understanding human behavior remains an inexact science.

We've learned that growth management problems are influenced by financial factors that are sometimes beyond the control of local governments, and we are fast approaching the time when we cannot ignore our neighbors' problems. The environmental and economic impacts may prove far more negative than we might expect.

In practical terms, more efficient management of growth will require revenue solutions and a stronger institution for regional planning. There is no way we can afford to pay for the needed transportation improvements without higher taxes. There is a need to understand that constraining the production of housing is akin to shooting yourself in your long-term "economic foot." Job growth requires housing production. Finally, we have to retain as much as possible our remaining open space and more efficiently utilize the developed land resources.

This is the agenda. Do we have the political will to take it up?

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